

Memorandum

To: Panel Members Date: May 22, 2003

From: Diana Torres, Manager Analyst: S. Godin
Peter DeMauro, General Counsel

Subject: One-Step Agreement for **San Diego-Imperial Counties Labor Council (SET)**
www.unionyes.org

CONTRACTOR:

- Multiple Employer: Workforce Investment Board
- Training Project Profile: SET-Workers with Multiple Barriers to Employment
Job Creation: Training of Unemployed Workers
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Construction
- Repeat Contractor: No
- Union Representation: Yes
- Name and Local Number of Union representing workers to be Trained:
 - Bridge, Structural, Ornamental and Reinforcing Ironworkers, Local Union No. 229
 - Plumbers & Pipefitters, Local Union No. 230
 - Sheet Metal Joint Apprenticeship and Journeyman Training Committee of San Diego, Local Union No. 206
 - International Association of Heat and Frost Insulators & Asbestos Workers, Local No. 5

CONTRACT:

- Program Costs: \$1,029,600
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$65,715
- Total ETP Funding: \$1,095,315
- In-Kind Contribution: \$1,332,825
- Maximum Contractor Charge: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: San Diego
- Duration of Agreement: 24 months

SUBCONTRACTORS:

San Diego Building and Construction Trades Council, San Diego, California - \$466,500 for delivery of Commercial Skills (Construction) training.

THIRD PARTY SERVICES:

The Contractor states that consultant services have not and will not be used.

NARRATIVE:

The San Diego-Imperial Counties Labor Council (SDICLC) was founded in 1902 as a charter of the national American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). It includes 125 affiliated labor groups in San Diego and Imperial counties representing approximately 100,000 employees in the building and construction trades; service industries; government employees; agriculture; acting; professional; and technical unions. The SDICLC is eligible for ETP funding under California Unemployment Insurance Code (CUIC) Section 10205(c)(4) as a grant recipient or administrative entity selected pursuant to the federal Workforce Investment Act of 1998, with the approval of the local workforce investment board and the appropriate local elected officials. The proposed contractor is requesting funding under CUIC Section 10214.5(a), Special Employment Training Funds and is deemed eligible for ETP funding in accordance with Title 22, California Code of Regulations, and Section 4409(a)(4), Special Employment Training Projects for Workers with Multiple Barriers to Employment.

The Training and Development Division (TDD) of the SDICLC was created in 1994 to provide programs and services to assist individuals in transitioning from dependency to self-sufficiency. The TDD manages job training, job placement, supportive services, literacy enhancement and community service programs.

Representatives from the area's local Joint Apprenticeship Training Committees (JATC), Building Trades Council, and the SDICLC state that there is a shortage of applicants who are able to successfully pass entrance exams and succeed in apprenticeship programs for the building and construction trades. To address this shortage, in 2002, TDD formed a partnership with the San Diego Building Trades and Construction Trades Council (SDBCTC) to recruit, train and place participants in building and construction trades jobs. The SDICLC states that this program is the only formal pre-apprenticeship training program in the County of San Diego. Over the past 24 months, 430 students have completed training in the aforementioned program. SDICLC states that over 90 percent have been successfully placed in building and construction trades jobs.

To continue and expand this viable program, SDICLC proposes to recruit, train, and place 195 individuals with multiple barriers to full-time employment. ETP-eligible trainees will qualify by having at least two identified barriers to employment, including (but not limited to): limited English reading and writing proficiency, limited basic education, limited or lack of training and/or work history, history of substance abuse, or ex-offenders. In addition to identifiable barriers, these individuals may also be unemployed or underemployed. Trainees will receive 352 class/lab hours in Commercial (Construction) Skills, Business Skills, and Literacy Skills. SDICLC will provide project administration and in-house trainers will provide the Business Skills and Literacy Skills portion of the proposed curriculum. SDICLC will subcontract with the San Diego Building Trades and Construction Trades Council to provide Commercial Skills.

NARRATIVE: (continued)

Trainees will receive a 352-hour menu curriculum consisting of:

Commercial Skills (207 class/lab hours) – Trainees will receive construction and building trades skills necessary to enter a building trades apprenticeship program. Trainees will receive at least 62 hours in construction math and blueprint reading, and complete a community service project at the Contractor's outdoor laboratory where each participant will gain hands-on experience in: Hand and Power Tool Use; Pouring Concrete footings and foundations; Tile Setting; Structural and Decorative Brickwork and Ironwork; Basic Carpentry, Forming Methods and Materials; and understanding Foundation and Plot Plans. Neither the community based organizations receiving the benefits of these Community Service Projects, nor the SDICLC will be compensated for any of the time or materials used in the learning lab.

Business Skills (55 hours) – Many trainees with multiple barriers to employment lack the skills to successfully communicate with others or resolve conflicts. Program participants will receive 39 hours of training in Communication and Listening Skills, Conflict Resolution, Team-Building, Leadership, Customer Service, Problem-Solving, Time Management, Decision-Making, and Interpersonal Skills. Trainees will also conduct a personal Skills Inventory to discover construction skills and abilities that they already possess and how to transfer those skills to the trades.

Literacy Skills (90 class/lab hours) – Trainees will be identified through an assessment as lacking English reading and writing proficiency. Literacy Skills will include grammar and vocabulary, reading comprehension, remedial math, writing, and Vocational English as a Second Language for trainees whose first language is not English. Literacy Skills training will enable the trainee to understand written and oral English instructions, complete a job application and understand basic work forms.

Employer Demand

This ETP training is designed to meet the needs of employers and unions. Class/lab hours will provide trainees with a solid foundation and working knowledge to succeed on the job while providing the skills to pass entrance exams into an apprenticeship training program. The curriculum was designed by representatives from the local Joint Apprenticeship Training Committees, the local Building Trades Council, and the San Diego-Imperial Counties Labor Council. The curriculum is updated whenever JATC apprenticeship coordinators communicate changes in the application/entrance requirements for a given apprenticeship program. Participating employers hiring trainees from the proposed ETP training also provide ongoing feedback regarding the quality of work produced by trainees.

Marketing Plan

The SDICLC advertises its program in local job-related publications. Publicity flyers are also distributed at One-Stop Service Centers and through community newspapers. SDICLC also conducts targeted marketing to other community and government agencies. SDICLC also receives referrals from case managers at community-based organizations and social service agencies. SDICLC further states that they currently have an extensive waiting list of individuals interested in this pre-apprenticeship training program.

NARRATIVE: (continued)

Justification of High Cost

SDICLC is requesting a cost per trainee of \$5,617 for its *SET Multiple Barriers to Employment training* which is more than double the average cost per trainee of \$1,315. The 352-hour curriculum is directly tied to the complexity of work for which trainees are prepared, coupled with the high number of training hours required by individuals who have no background or experience for this type of work. The majority of these trainees have not graduated from high school and many have attained no more than a sixth or seventh grade literacy skill level. Additional barriers include a history of substance abuse, legal problems, or a poor work history.

The proposed training program will prepare trainees for long-term careers in the building and construction trades industry. SDICLC states that the proposed SET Barriers training program will result in new-hire wages at placement and retention of at least \$9.93 per hour in San Diego County. The lowest beginning hourly wage in the formal construction trades apprenticeship programs is \$9.93/hour and the highest starting hourly is \$22.13.

In-Kind Contribution

The total participating employer and Contractor in-kind contribution is projected to be \$1,332,825. The quantifiable commitment to the on-the-job training is comprised of wages of trainees and on-site trainers for 10 hours weekly (for the first 500 hours of employment) of \$1,267,500 and \$19,500 for training materials not included in the ETP fixed fee.

Additionally, each signatory employer contributes an average of \$.47 per man-hour worked that is allocated to the JATC fund pursuant to the respective collective bargaining agreement. The total projected amount for the JATC fund contribution during the 500-hour retention period for 195 trainees totals \$45,825.

COMMENTS:

Apprenticeable Occupations

CUIC 10200 (a)(4) of the Panel's enabling Legislation states in part that programs developed shall not replace, parallel, supplant, compete with or duplicate in any way already existing approved apprenticeship programs. At the October 2002 meeting, the Panel approved an apprenticeship training policy which specifically states that, "When pre-apprenticeship training is being considered for trades with Division of Apprenticeship Standards (DAS) the following shall apply: A) The applicant seeking the contract must be a DAS approved apprenticeship program or be participating in a DAS approved apprenticeship program; and B) Upon completion of the approved pre-apprenticeship training, trainees must be enrolled in a DAS approved apprenticeship program for work in the industry in which they have received pre-apprenticeship training. However, other placements may be allowed on a case-by-case basis subject to prior Panel approval."

All of the 12 Apprenticeship Programs listed below require that its applicants have, at a minimum, a high school diploma or a GED equivalent, be at least eighteen years of age, and have the ability to read and write English. As previously stated, trainees served under this proposal have multiple barriers to succeeding in apprenticeable trades. The goal of the SDICLC pre-apprenticeship program is to equip its

COMMENTS: (continued)

ETP trainees with the skills needed to work as a first period apprentice in one of the 12 building and construction trades listed below. The SDICLC will make every attempt to place its trainees in Department of Apprenticeship Standards approved apprenticeship training. Those trainees who do not immediately go to work as first period apprentices because their chosen apprenticeable trade is not currently open, or because they were not successful in passing the entrance exam, will be placed with building and construction trades employers who provide comparable wages and benefits, as well as ongoing training and a career path.

Union Participation and Support

In addition to the four local unions listed on page one of the memorandum, eight additional Local Unions have submitted letters of support for this proposed Agreement:

- United Union of Roofers, Waterproofers and Allied Workers, Local Union No. 45
- Building Material, Construction, Industrial, Professional & Technical Teamsters, L.U. #36
- Plasterers' Local No. 200
- Glaziers, Architectural Metal & Glassworkers, Local Union 1399
- Cement Masons Local No. 500
- Bricklayers & Allied Craftworkers, Local No. 4
- International Brotherhood of Electrical Workers, Local Union 569
- Landscape and Irrigation Local Union No. 345

SET Funding Cap Waiver Request:

Title 22, California Code of Regulations (CCR) Section 4409(a)(1) states in part: "Each project shall be funded for no more than \$500,000. The Panel may waive the cap for individual SET projects at any time, upon a showing of good cause by the contractor."

The contractor has requested a waiver to the \$500,000 funding cap for the proposed training plan. The 352 hours of training is directly tied to the complexity of work for which trainees are prepared, coupled with the high number of training hours required by individuals who have no background or experience for this type of work. In addition, this proposal will serve multiple employers, therefore, requiring a greater funding amount than a single employer agreement. Approving a waiver to the funding cap will allow SDICLC to train 195 trainees with multiple barriers to employment.

Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold for a profit.

PROPOSED ACTION:

Staff recommends the Panel approve this Multiple Employer One-Step Agreement for trainees with multiple barriers to employment who lack the essential job skills to improve their employment opportunities. Staff also recommends the Panel approve the SET funding cap waiver request. This recommendation is based on the fact that SDICLC will provide 195 individuals with the skills necessary to obtain employment in industry specific building and construction trades occupations.

TRAINING PLAN:

Grp/ Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs	No. CBT Hrs	No. SOST Hrs.	Cost per Trainee	Hourly Wage after 90 days
Job Number 1 New Hire (SET – Barriers to Employment)	MENU Commercial Skills Business Skills Literacy Skills	195	352 (207) (55) (90)	0	0	\$5,617	\$9.93- \$22.13
					<u>Range of Hourly Wages</u> \$9.93-\$22.13		
					<u>Prevalent Hourly Wage</u> \$12.50		
					<u>Average Cost per Trainee</u> \$5,617		
<u>Health Benefit used to meet ETP minimum wage:</u> N/A					<u>Turnover Rate</u> Shall not exceed 20% annually.	<u>% of Mgrs & Supervisors to be trained:</u> N/A	

SAN DIEGO-IMPERIAL COUNTIES LABOR COUNCIL
TRAINING PROGRAM CURRICULUM

TOTAL CLASS/LAB HOURS: 352

MENU CURRICULUM PORTION: 262 HOURS
LITERACY SKILLS PORTION: 90 HOURS

Trainees will receive any combination of the following:

BUSINESS SKILLS (55 Hours)

Communication and Listening Skills
Conflict Resolution
Team Building Skills
Leadership Skills
Customer Service Skills
Problem Solving
Time Management
Decision Making Skills
Developing Positive Interpersonal Skills
Skills Inventory Checklist

COMMERCIAL SKILLS (207 Hours)

Construction Math
Building Design, Plans & Specifications

Each Training Session will also complete a community service project at the Contractor's outdoor laboratory in which the trainees will be exposed to and learn the following skills:

Blueprint Reading
Plot Plans
Foundation Plans
Exterior Elevations
Section Views
Builder's Level, Automatic Level, & Transit Level
Forming Methods & Materials
Pouring Concrete footings and foundations for buildings
Building slabs
Surveying Skills
Structural & Decorative Brickwork & Ironwork
Tile Setting
Hand & Power Tool Use

Pre Apprenticeship Building and Construction Trades:

An Overview of the apprenticeship requirements for the following trades will be provided:

Asbestos Workers & Insulators
Boilermakers
Bricklayers/Stone Masons
Carpenters
Cement Masons
Electrical Workers
Elevator Operators
Fire Stoppers
Floor Coverers
Glaziers
Ironworkers
Irrigation & Landscape Specialists
Operating Engineers
Painters
Plasterers
Plumbers & Pipe Fitters
Roofers & Waterproofing Workers
Sheet Metal Workers

LITERACY SKILLS (90 Hours)

The Literacy Skills Training is not part of the Menu Curriculum. All trainees will receive 92 hours of Literacy Skills.

Testing and Assessments
Remedial Math
Basic Grammar and Vocabulary
Reading Comprehension
Writing Skills
Vocational English as a Second Language*

- * This segment of the Literacy Skills training will only be provided to identified trainees whose primary language is not English.

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: San-Diego Imperial Counties Labor Council (SET)

CCG No.: ET03-0331

Reference No: 03-0277

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PRINT OR TYPE

Company: California Sheet Metal Works, Inc.

Address: 6711 Nancy Ridge Drive

City, State, Zip: San Diego, CA 92121

Contact Person/Title: Robin S. Hoffes, President

Telephone No.: (858) 452-7010

Collective Bargaining Agreement(s): Sheet Metal Workers Local # 206

Estimated # of employees to be retrained or hired under this Agreement: 3

Total # of full-time company employees worldwide: 60

Total # of full-time company employees in California: 60

Company: Fontana Steel

Address: 947 Rancheros Drive, Suite A

City, State, Zip: San Marcos, CA 92069

Contact Person/Title: Jim Snow, Field Superintendent

Telephone No.: (760) 8014797

Collective Bargaining Agreement(s): Iron Workers Local # 229

Estimated # of employees to be retrained or hired under this Agreement: 20 - 30

Total # of full-time company employees worldwide: 600

Total # of full-time company employees in California: 100

Company: International Iron Products

Address: 10883 Thornmint Court

City, State, Zip: San Diego, CA 92127

Contact Person/Title: George Booth, Field Superintendent

Telephone No.: (619) 778-8378

Collective Bargaining Agreement(s): Iron Workers Local # 229

Estimated # of employees to be retrained or hired under this Agreement: 10 - 15

Total # of full-time company employees worldwide: 28

Total # of full-time company employees in California: 28

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: San-Diego Imperial Counties Labor Council (SET)

CCG No.: ET03-0331

Reference No: 03-0277

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PRINT OR TYPE

Company: J. R. Roberts Corporation

Address: 7745 Greenback Lane, Suite 300

City, State, Zip: Citrus Heights, CA 95610

Contact Person/Title: Robert Olsen, CEO

Telephone No.: (916) 729-5600

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 15

Total # of full-time company employees worldwide: 130

Total # of full-time company employees in California: 130

Company: Pacific Coast Steel

Address: 7155 Mission Gorge Road

City, State, Zip: San Diego, CA 92120

Contact Person/Title: Michael Alves, Field Superintendent

Telephone No.: (619) 286-3405

Collective Bargaining Agreement(s): Ironworkers Local # 229

Estimated # of employees to be retrained or hired under this Agreement: 30

Total # of full-time company employees worldwide: 300

Total # of full-time company employees in California: 300

Company: Performance Contracting, Inc.

Address: 2015 Main Street

City, State, Zip: San Diego, CA 92113

Contact Person/Title: David Grisez, Labor Superintendent

Telephone No.: (619) 236-1531

Collective Bargaining Agreement(s): Asbestos Workers & Insulators Local # 5

Estimated # of employees to be retrained or hired under this Agreement: 6

Total # of full-time company employees worldwide: 6800

Total # of full-time company employees in California: 90

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: San-Diego Imperial Counties Labor Council (SET)

CCG No.: ET03-0331

Reference No: 03-0277

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PRINT OR TYPE

Company: Priority Development

Address: 1068 Broadway, Suite 212

City, State, Zip: El Cajon, CA 92021

Contact Person/Title: Kap Sikahema, CFO

Telephone No.: (801) 716-0266

Collective Bargaining Agreement(s): Plasterers Local # 200; Cement Masons Local # 500

Estimated # of employees to be retrained or hired under this Agreement: 100

Total # of full-time company employees worldwide: 8

Total # of full-time company employees in California: 8

Company: San Diego Sheet Metal Works, Inc.

Address: 8616 Cuyamaca Street

City, State, Zip: Santee, CA 92071

Contact Person/Title: Jennifer Sigliano, HR Director

Telephone No.: (619) 232-3153, ext. 110

Collective Bargaining Agreement(s): Sheet Metal Workers' Local Union #206

Estimated # of employees to be retrained or hired under this Agreement: 4

Total # of full-time company employees worldwide: 50

Total # of full-time company employees in California: 50

Company: University Mechanical, Inc.

Address: 1168 Felser Street

City, State, Zip: El Cajon, CA 92020

Contact Person/Title: David Osier, Commercial Manager

Telephone No.: (619) 956-2525

Collective Bargaining Agreement(s): Sheet Metal Workers' Local Union #206

Estimated # of employees to be retrained or hired under this Agreement: 5

Total # of full-time company employees worldwide: 300

Total # of full-time company employees in California: 300